



**Hundredth Legislature - First Session - 2007**  
**Committee Statement**  
**LB 46**

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**Hearing Date:** February 27, 2007  
**Committee On:** Agriculture

**Introducer(s):** (Hudkins)  
**Title:** Require payments by grape producers

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**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

7	Yes	Senators Wallman, McDonald, Dierks, Preister, Dubas, Karpisek, and Erdman
0	No	
0	Present, not voting	
1	Absent	Senator Chambers

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**Proponents:**

Senator Carol Hudkins  
Jim Ballard  
Eric Nelson

**Representing:**

Introducer, District 21  
Nebraska Winery and Grape Growers Association  
Oak Creek Vineyards/NE Grape and Wine Board

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 46 as introduced amends §54-304 to provide for a \$20 / ton assessment on grapes collected from grape producers paid to the Department of Revenue. Revenues from this assessment are directed to the Winery and Grape Producers Promotional Fund.

**Explanation of amendments, if any:**

The Committee amendments strike the original provisions and become the bill. The amendment essentially substitutes a grape assessment collection mechanism implemented by the Department of Agriculture similar to mechanisms utilized in other commodity assessment programs. The amendment contains the following elements:

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- Imposes an excise tax of 1 cent / lb upon grapes purchased from growers through commercial channels or delivered in Nebraska. Defined terms for “commercial channels”, “Delivered or delivery”, “first purchaser”, and “grower” are provided by section 1. The imposition of the assessment is qualified by applicable definition or direct exclusion as follows:
  - Does not apply to grapes purchased or received for ultimate consumption as table grapes.
  - Does not apply to grapes received for storage only (will not be utilized for processing by the receiver)
  - Excludes any sales of grapes to the federal government for food purchase programs where imposition of the excise tax would be prohibited by federal law
  
- Provides for a first purchaser mechanism of collection.
  - Assigns a duty for first purchasers to deduct the amount of the assessment from the payment made to growers at the time of settlement.
  - Provides that twice annually, first purchaser to file on forms prescribed a report of grape purchases and to remit the amount of assessment
  - Prescribes recordkeeping to be maintained by first purchasers for auditing and compliance purposes
  
- Authorizes the Department of Agriculture to be reimbursed for costs associated with collection of the assessment. Section 4 provides for quarterly transfer of funds from the Winery & Grape Producers Promotional Fund to the Management Expense Revolving Fund in amount of costs documented quarterly by the Department. The revolving fund is utilized by the Department of Agriculture to receive and account for collection costs recovered for similar collection service provided to other agencies
  
- Provides for Class III misdemeanor penalty for violations of the Act.
  
- Amends §54-304 to conform the list of revenue streams placed in the Winery and Grape Producers Promotional Fund and authorized uses of the fund to changes elsewhere in the amendment.

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**Senator Philip Erdman, Chairperson**